

SEPTEMBER 2023 QUARTERLY ACTIVITIES REPORT

Diamond drilling underway at historic Falun copper-gold project

Drilling to test high-priority brownfields targets follows extensive early-stage exploration work to identify prospective Falun-style repeat deposits

HIGHLIGHTS

- Drill program at Falun commenced on schedule at the end of September
- The start of drilling follows detailed fieldwork which identified numerous targets that are highly prospective for a Falun-style repeat deposit
- Drilling will focus on high-priority targets which are located around the historic Falun mine and along the highly prospective 3.5km mineralised trend which runs between the Falun mine and high-grade mineralisation intersected at the Skyttgruvan-Naverberg target
- Fieldwork at Falun is ongoing with expectations that additional targets will continue to be identified
- The Company completed a Placement to raise \$3.0m to fund the drill program at Falun

FALUN PROJECT

- Alicanto's consolidated Falun Project represents a significant landholding in the Bergslagen region of southern Sweden and includes the world class historic Falun mine
- The Falun mine, which last operated in 1992, produced 28Mt @ 4% Cu, 4g/t Au, 5% Zn, 2% Pb and 35g/t Ag, containing in the order of 3.6Mozs of gold and 1.1Mt of copper.¹ Since its closure, limited modern exploration or drilling has been undertaken
- Alicanto controls over 60km of the target limestone horizon within its Falun permits

SALA PROJECT

- Despite the current focus on Falun, Sala remains an important project for the Company. The mineralisation at Sala is analogous with other world-class zinc-silver-lead systems, including Boliden's Garpenberg Mine located just 50km from Sala
- Alicanto controls the largest part of the prospective limestone host in the region
- The current Inferred Resource at Sala comprises 9.7Mt @ 4.5% Zn(Eq), containing 311,000t of zinc, 15Mozs of silver and 44,000t of lead (reported at the 2.5% Zn(Eq) cut-off)²
- Recent drilling and review of historical drill core has returned numerous significant results indicating the presence of a significant mineralisation to the north of the historic Sala ore body. Alicanto believes it will be able to extend and upgrade the current Resource in this area through the discovery of more high-grade zinc zones as well as additional silver bearing structural repetitions of the historic Sala ore body
- The Sala system was mined to a depth of 318m and is completely untested below 500m and remains open in all directions

CORPORATE

- As at 30 September 2023, Alicanto has cash on hand of \$4.6m (30 June 2023: \$3.1m)

Falun Copper-Gold-Zinc-Silver-Lead Project, Sweden (AQI 100%)

During the Quarter, Alicanto Minerals Ltd (**Alicanto** or the **Company**) (ASX:AQI) has focused on identifying and prioritising brownfield targets which will be the subject of the drill program at Falun. This drilling commenced on schedule at the end of September.

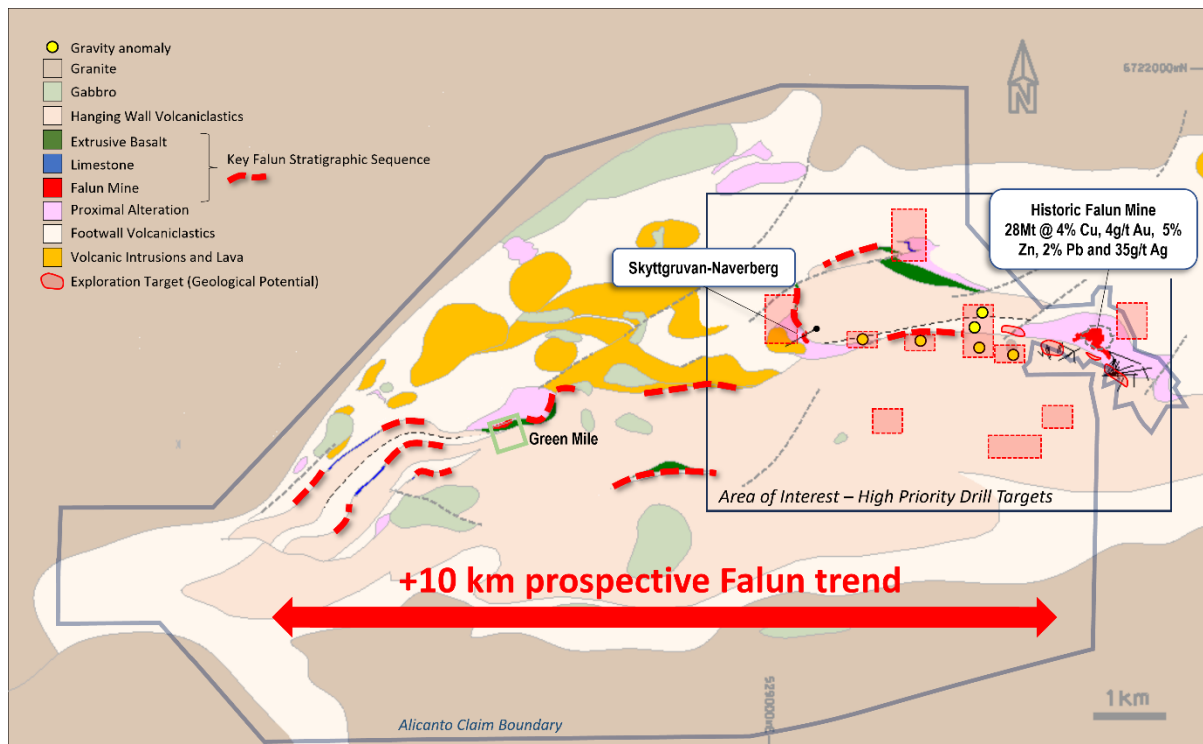
After a limited drill program at Skyttgruvan-Naverberg in late 2022, where significant mineralisation and a prospective off-hole conductor were identified, and evaluation of historical drill data from the Falun mine area following the acquisition of the permit containing the historic Falun mine, the Company has focused its exploration efforts around the Falun mine and along the 3.5km mineralised trend between Skyttgruvan-Naverberg and the Falun mine (refer to the 'Area of Interest' in Figure 1).

Fieldwork, including ground fixed loop electromagnetic and ground gravity surveying, has resulted in a series of highly prospective stratigraphy and geophysical targets being identified within the area of focus. The current drill program will test these targets for the first time.

While the drill program is underway, the fieldwork will continue with expectations that additional targets will continue to be identified. Mineralisation at the Falun mine consists of a significant massive pyrite and chalcopyrite core to the mineralised zone which should be reflected as a conductive and higher density target in geophysical surveys.

In addition, the in-country team has continued to review and compile further historic data and has relogged drill core available from the Swedish Geological Survey. This has allowed the further refinement and understanding of the historic Falun deposit and the brownfields prospectivity around the old mine.

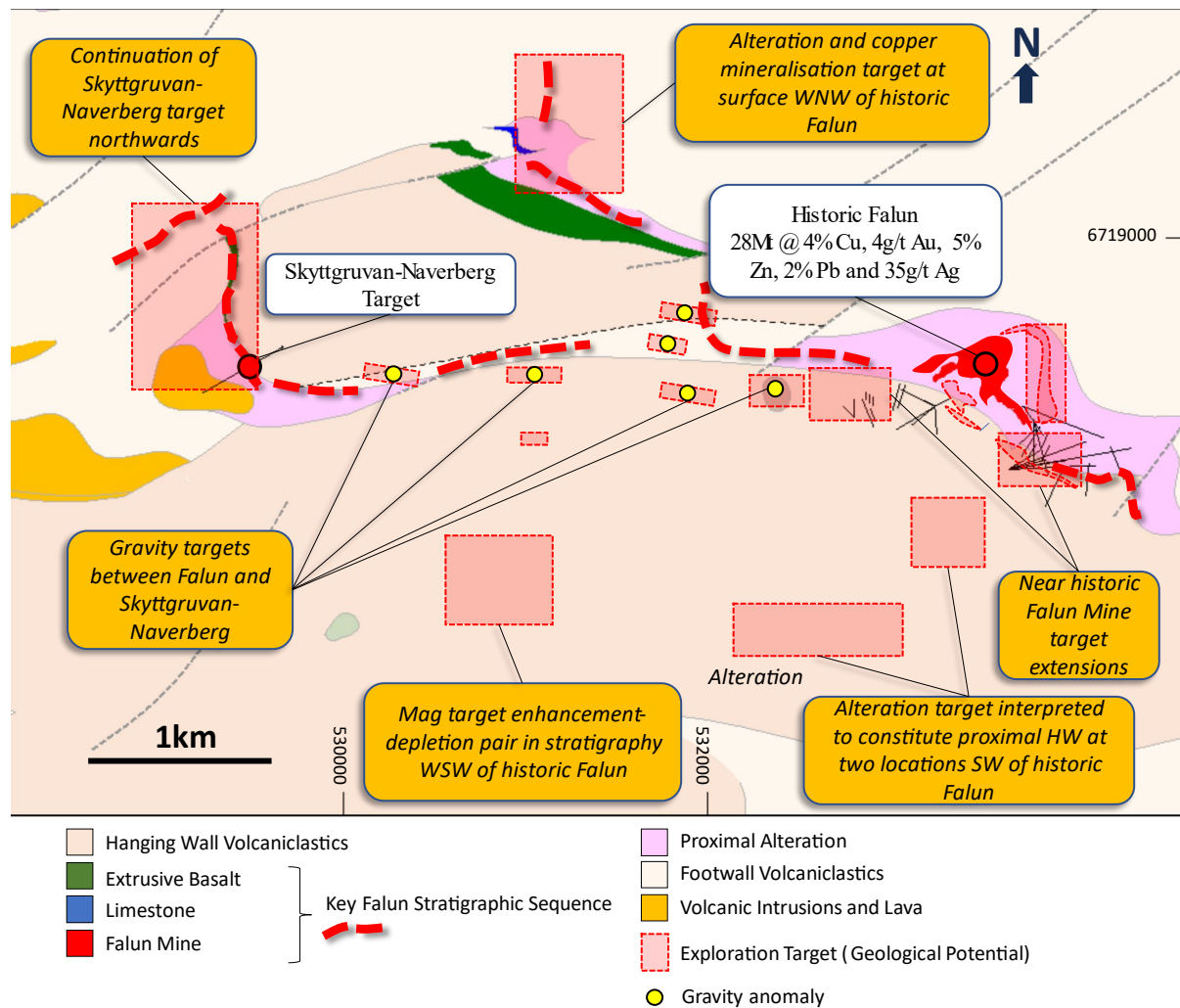
Figure 1: Map of Falun regional geology highlighting the key area of interest and current high priority targets for follow up drilling.¹



While there are numerous targets within Alicanto's Falun permits, Figure 2 details the higher priority drill targets in the area of interest. These include:

- Historic Falun Mine near extensions and at depth
- Continuation of Skyttgruvan-Naverberg trend northwards
- Gravity anomalies in between Falun and Skyttgruvan-Naverberg
- Alteration and copper mineralisation at surface WNW of historic Falun
- Alteration interpreted to constitute proximal HW at two locations SW of historic Falun
- Mag enhancement-depletion pair in stratigraphy WSW of historic Falun

Figure 2: High priority drill targets in the prospective host horizon of the historic Falun mine.¹



Sala Zinc-Silver-Lead Project, Sweden (AQI 100%)

Like Falun, the Sala Project is located in Sweden's world-class mining province of Bergslagen, which is home to some of the largest polymetallic skarns and volcanic massive sulphide (VMS) systems globally, including the Garpenberg mine owned by Boliden AB and the Zinkgruvan mine owned by Lundin Mining Corporation. The Sala system is a polymetallic skarn hosted by a thick sequence of dolomitised stromatolitic limestone, analogous to the other major operating underground mines in the region.

The Sala system was mined to a depth of 318m, is completely untested below 500m and remains open in all directions.

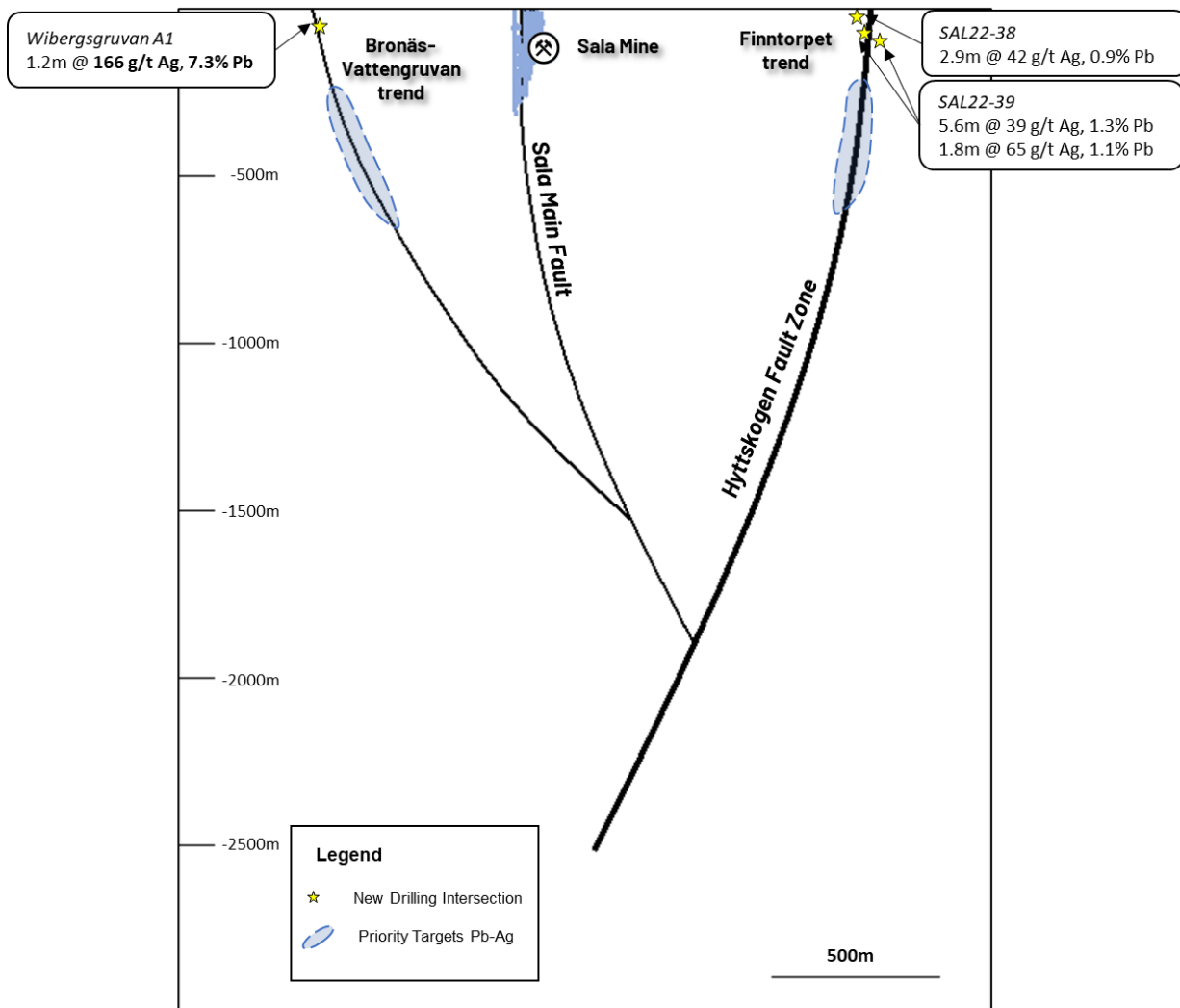
In July 2022, just over a year after securing ownership of the property, the Company announced a maiden JORC 2012-compliant Inferred Resource at Sala of 9.7Mt @ 4.5% Zn(Eq), containing 311,000t of zinc, 15Mozs of silver and 44,000t of lead (reported at the 2.5% Zn(Eq) cut-off) including a coherent near surface high-grade breccia zone dominated by semi-massive sphalerite containing 4.5Mt @ 6% Zn(Eq).²

In its most recent exploration program, the Company completed a limited, step out drill program and undertook a review of recently identified historical drill core. This program resulted in two new discoveries outside of the current Resource: the first is located 600m to the north of the Prince Lode, near the historic Bronäs mine, and the second is located 575m west of the Prince Lode, at Finntorpet.

These results indicate the presence of a significant mineralisation footprint north of the historic Sala ore body. Alicanto believes it will be able to extend and upgrade the current Resource in this area through the discovery of more high-grade zinc zones as well as additional silver bearing structural repetitions of the historic Sala ore body.

The results at Finntorpet are significant in that they show the presence of Sala-style galena-silver mineralisation in what has been interpreted as a significant and previously untested fault structure, the Hyttskogen Fault Zone. The Sala Main Fault (historic production of 200Mozs of silver at an average grade of 1,244g/t silver and up to 7,000g/t Ag)³ is interpreted as a splay originating from the Hyttskogen Fault (refer Figure 3).

Figure 3: Simplified exploration model targeting high-grade galena-silver mineralisation.⁴ Long section looking towards the east.



The presence of mineralisation in the first two drill holes in this extensive target is greatly encouraging and increases the potential of the Hyttskogen Fault zone to host significant mineralisation.

Figure 4: Plan view geology map over the Sala Silver-Zinc Project. The Sala Lode (shown in grey) historically produced over 200Moz of Silver from 5Mt mined from an underground mining operation.³ Image edited after Jansson et al 2019.⁵ Long-section illustrated from A to B, and A to C. The current 9.7Mt MRE blockmodel, including maiden Resource at Prince, is shown within the dotted black line² with the recent extension drilling results.⁴

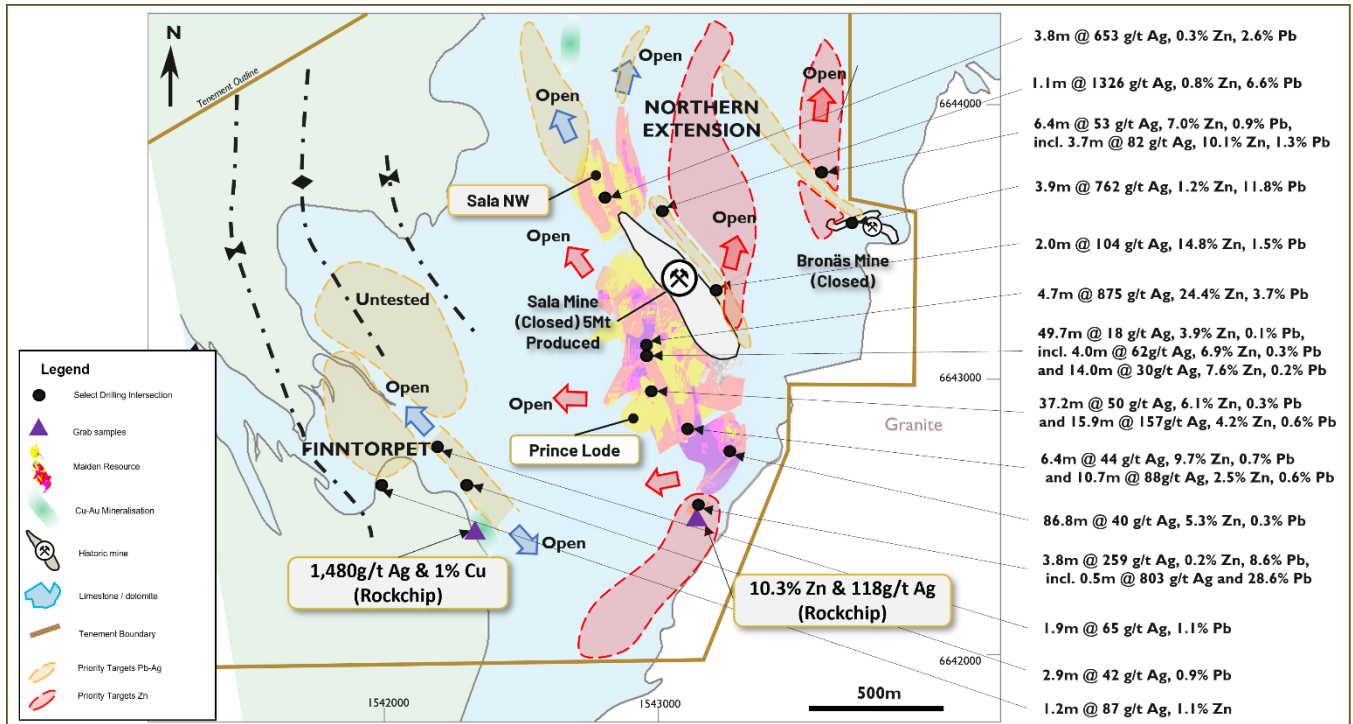
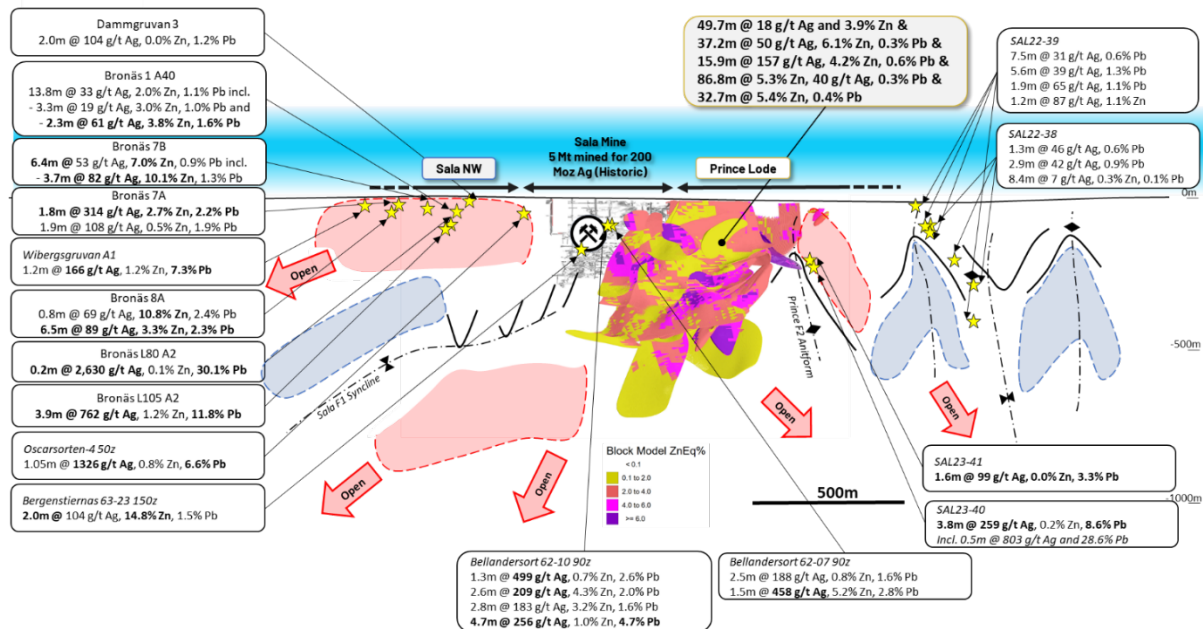


Figure 5: Long section through the blockmodel of Prince Lode and Sala NW Extension, looking towards the east with the Sala Mine in the background. Illustrated in red and blue are the areas of high-priority zinc and lead-silver targets, respectively. Recent drill results in white/black boxes.⁴ For highlighted previous drill intersections from Prince (in yellow box) refer to AQI ASX releases dated 15/02/2021, 13/10/2021, 25/10/2021 and 23/03/2022.



Corporate

Cash at Bank

As at 30 September 2023, Alicanto Minerals had cash on hand of \$4.6m (31 June 2023: \$3.1m).

In August 2023, Alicanto undertook an equity raising to raise \$3.0m under a placement of shares at \$0.04 each to sophisticated investors. A total of 72.5 million shares were issued in August, with a further 2.5 million shares to be issued to the Chairman subject to shareholder approval at the upcoming annual general meeting.

For further movements in cash during the quarter, refer to Appendix 5B.

Refer to Appendix 1 for the financial analysis of selected items within the Appendix 5B.

For further information please visit www.alicantominerals.com.au

Media

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Authorisation

Authorised by the Board of Directors.

About Alicanto Minerals

Alicanto Minerals Ltd (ASX: AQI) is pursuing aggressive exploration campaigns in Sweden's highly-regarded mining region of Bergslagen. These include exploring its tenements around the world class Falun copper-gold and polymetallic skarn project as well as seeking to identify high-grade silver extensions at the historic Sala silver-zinc-lead deposit and to build upon its maiden Inferred Resource of 9.7Mt @ 4.5% ZnEq containing 311,000t of zinc, 15Mozs of silver and 44,000t of lead (reported at the 2.5% ZnEq cut-off).²

Alicanto controls over 60km of the target limestone horizon at the Falun project within a total landholding of 312km².

Alicanto is highly leveraged to exploration success and puts a strong emphasis on ensuring that drilling is ongoing. This approach underpins its strategy of creating shareholder value by discovering, growing and developing precious and base metal resources in the tier-one location of Sweden.

The strategy is driven by a Board and Management team comprising a broad range of expertise, including extensive technical, operational, financial and commercial skills as well as experience in mining exploration, strategy, venture capital, acquisitions and corporate finance.

Compliance Statement

The information in this announcement that relates to Exploration Results has been previously released as noted in the text and the End Notes below.

The information in this report that relates to the Mineral Resource estimate for Sala is extracted from the Company's announcement titled "Outstanding maiden Resource confirms Sala has global scale" which was released to the ASX on 13 July 2022.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward Looking Statements

This announcement may contain certain forward-looking statements and projections, including statements regarding Alicanto's plans, forecasts, and projections with respect to its mineral properties and programs. Although the forward-looking statements contained in this release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, such forward looking statements/projections are estimates for discussion purposes only and should not be relied upon. They are not guarantees of future performance and involve known and unknown risks, uncertainties, and other factors many of which are beyond the control of the Company. The forward-looking statements/projections are inherently uncertain and may therefore differ materially from results ultimately achieved. For example, there can be no assurance that Alicanto will be able to confirm the presence of Mineral Resources or Ore Reserves, that Alicanto's plans for development of its mineral properties will proceed, that any mineralisation will prove to be economic, or that a mine will be successfully developed on any of Alicanto's mineral properties. The performance of Alicanto may be influenced by a number of factors which are outside the control of the Company, its directors, staff, or contractors. The Company does not make any representations and provides no warranties concerning the accuracy of the projections, and disclaims any obligation to update or revise any forward looking statements/projects based on new information, future events or otherwise except to the extent required by applicable laws.

Metal Equivalent Calculations - Sala

Zn% (Eq) are based on recoveries at analogous mineralisation systems in Sweden to calculate the Zn equivalent grades a recovery of 93.8% Zn, 82% Ag and 89.9% Pb was applied.

The following price assumptions were used to calculate the Zn% (Eq):

- Zinc Price of USD \$2,976.24 per tonne
- Silver Price of USD \$22.62 per ounce
- Lead Price of USD \$2,259.07 per tonne

Equivalents were calculated using the following formula: $ZnEq = Zn\% + Zn\% \times [(727,345.29 \times 0.82 \times Ag\%) + (2,259.07 \times 0.899 \times Pb\%)] / (2,976.24 \times 0.9380 \times Zn\%)$

It is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

End Notes

¹ Falun Mine statistics obtained from Doctoral Thesis at Lulea University by Tobias Christoph Kampmann, March 2017 "Age, origin and tectonothermal modification of the Falun pyritic Zn-Pb-Cu-(Au-Ag) sulphide deposit, Bergslagen, Sweden".

² Refer to AQI ASX Announcement dated 13 July 2022.

³ Sala mine statistics obtained from a report written by Tegengren, 1924 "Sveriges Adlare Malmer & Bergverk". Refer Tumi Resources Ltd's (TSXV:TM) announcements dated 1 January 2009, 26 February 2009, 1 March 2012, 2 March 2012 and 6 November 2012.

⁴ Refer to AQI ASX Announcement dated 30 May 2023 regarding drilling results, and AQI ASX Announcement dated 1 February 2021 for rock chip assays.

⁵ An updated genetic model for metamorphosed and deformed, c. 1.89 Ga magnesian Zn-Pb-Ag skarn deposit, Sala area, Bergslagen Sweden but N.Jansson et al 2019.

APPENDIX 1

Financial Analysis of selected items within the Appendix 5B

App 5B reference	ASX description reference	Summary
1.2(a)	Payments for exploration and evaluation (expensed)	During the quarter, Alicanto's expenditure related to exploration and evaluation activities primarily related to the Falun and Sala Project in Sweden.
1.2(d)	Staff costs	Relates to Perth office staff, director costs, and financial and company secretarial services.
1.2(e)	Administration and corporate costs	This item relates to costs for and associated with operating the Company's Perth office and includes listing and compliance costs (ASIC, ASX and share registry), audit fees, insurance, travel and marketing, office occupancy and legal costs.
3.1	Proceeds from issues of equity securities and other contributed equity (excluding debt securities)	The Company completed a \$2.9 million capital raising in August 2023.
3.4	Transaction costs related to issues of equity securities or convertible debt securities	These costs represent share issue expenses directly associated with the placement referred to at 3.1.
6.1	Aggregate amount of payments to related parties and their associates	Payments of \$137k relate to payments for the executive director's salary and superannuation, and non-executive director fees.

APPENDIX 2 – TENEMENTS

Mining tenements held at the end of September 2023 quarter:

Project	Location	Tenement	Interest at end of quarter
Naverberg	Sweden	Naverberg nr 1, 2,3,4,5,6	100%
Oxberg	Sweden	Oxberg 101	100%
Oxberg	Sweden	Oxberg 102	100%
Dunderberget	Sweden	Dunderberget nr 1,2	100%
Sommarberget	Sweden	Sommarberget nr 1	100%
Uvbränna	Sweden	Uvbränna nr 1	100%
Björkberget	Sweden	Björkberget nr 1	100%
Heden	Sweden	Heden nr 2,3	100%
Harmsarvet	Sweden	Harmsarvet nr 1	100%
Fågelberget	Sweden	Fågelberget nr 1	100%
Stensjön	Sweden	Stensjögruvan nr 101	100%
Vattholma	Sweden	Vattholma nr 1	100%
Morgonrodnad	Sweden	Morgonrodnadsgruvan	100%
Vegerbol	Sweden	Vegerbol nr 101	100%
Sala	Sweden	Sala nr 101	100%
Sala	Sweden	Sala nr 102	100%
Sala	Sweden	Sala nr 103	100%
Sala	Sweden	Sala nr 104	100%
Sala	Sweden	Sala nr 105	100%
Sala	Sweden	Sala nr 106	100%
Sala	Sweden	Sala nr 107	100%
Sala	Sweden	Sala nr 108	100%
Sala	Sweden	Sala nr 109	100%
Sala	Sweden	Sala nr 110	100%
Sala	Sweden	Sala nr 111	100%
Sala	Sweden	Sala nr 112	100%
Dunderberget	Sweden	Dunderberget nr 3	100%
Snömyrberget	Sweden	Snömyrberget nr 1	100%
Falu Gruva	Sweden	Falu Gruva nr 1	100%

Mining tenements acquired and disposed during the September 2023 quarter: **Nil**.

Mining tenements disposed during the September 2023 quarter: **Nil**

Beneficial percentage interests in farm-in or farm-out agreements at the end of the September 2023 quarter: **Nil**

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the September 2023 quarter: **Nil**

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Alicanto Minerals Limited

ABN

81 149 126 858

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(734)	(734)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(140)	(140)
	(e) administration and corporate costs	(295)	(295)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	14	14
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,155)	(1,155)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,900	2,900
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(188)	(188)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(15)	(15)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	2,697	2,697

4.	Net increase / (decrease) in cash and cash equivalents for the period	1,542	1,542
4.1	Cash and cash equivalents at beginning of period	3,068	3,068
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,155)	(1,155)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,697	2,697

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,610	4,610

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,610	3,067
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,610	3,067

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	137
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,155)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,155)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,610
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,610
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	3.99
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2023

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.